



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

NICK A. KHOURI
STATE TREASURER

MINUTES OF THE MEETING OF THE STATE TAX COMMISSION

***Holiday Inn Express and Okemos Conference Center,
Okemos A & B Rooms
2187 University Park Drive, Okemos, Michigan***

***Tuesday, August 23, 2016
9:00 a.m.***

***PRESENT: Douglas B. Roberts, Chair STC
Barry S. Simon, Member STC
W. Howard Morris, Member STC

Heather S. Frick, Executive Director
LaNiece Densteadt, Recording Secretary***

The item numbers referred to in the minutes correspond to the agenda items as numbered.

It was moved by Morris, supported by Simon, and unanimously approved to adopt the minutes of June 7, 2016. (Item 1 on agenda)

It was moved by Simon, supported by Morris, and unanimously approved to adopt the Certification Advisory Committee's recommendation granting a special waiver for those units whose certification level requirements have increased due to the SEV of wind turbines located in the local unit. A special waiver will be granted to Arcada Township, Bethany Township and Pine River Township in Gratiot County due to the effect of the wind turbine values. The Commission approved the Certification Level Guidelines for Townships, Cities and Counties for 2017. Beginning in 2017, the Commission approved that County certification levels will be based on the highest 2017 certification level requirement of the local units within the County. ([Counties](#)) ([Townships and Cities](#)) (Item 2 on agenda)

It was moved by Morris, supported by Simon, and unanimously approved Bulletin 9 of 2016 Certified Interest Rates. (Item 3 on agenda)

It was moved by Morris, supported by Simon, and unanimously approved Bulletin 10 of 2016 Assessor Certification Requirements for the 2017 Year. Of significance, the Commission will require that all assessors will be required to complete 20 hours of continuing education between November 1, 2016 and October 31, 2017 in order to recertify for 2018. Assessors were advised only four (4) hours of the 20 hours can be completed through an approved continuing education online course. (Item 4 on agenda)

It was moved by Morris, supported by Simon, and unanimously approved the staff recommendation to rescind the following bulletins and remove these bulletins from the Commission's website that have been identified as either pertaining to assessment methods no longer practiced, guidance provided more thoroughly in later bulletins, or consisting solely of the transmissions of Public Acts or Attorney General Opinions: (Item 5 on agenda)

Year	Bulletin Number	Bulletin Title
1982	4	Variable Rate Mortgages
1982	5	Differential Rates – Services
1982	6	Special Assessments – Sewers and Paving
1982	10	Truth in Taxation
1982	11	State Tax Commission Administrative Rules
1982	12	Examination and Certification Fees
1982	13	Solar, Wind and Water Energy Tax Exemptions
1982	14	Incompatibility of City Commissioner Serving on Board of DDA
1982	15	Allocated Tax Rate Rollbacks – Headlee
1982	16	Form L-4293
1982	17	Exempt Properties – Parsonages
1982	20	Assessing Officers' Liability
1982	21	Listing of Mortgagor/Mortgagee and Land Contract Vendor/Land Contract Vendee on Assessment Roll
1982	22	Inclusion of Additional Sales in Equalization Study Assessment/Sales Rolls
1982	24	Compensation of Township Supervisor for Performing Assessor Duties
1983	1	Voted Increases in County Tax Rates
1983	2	Duty to List Name of Land Contract Purchase as Owner on Assessment Rolls
1983	3	Foreclosure of Mortgages Containing Due-on-Sale Clauses
1983	7	Initial Assessed Value as Finally Equalized of Property within Tax Increment Financing Plan
1983	10	Incompatibility of Township Treasurer Serving Simultaneously as Township Assessor
1983	13	Real Property Statements and Tax Rates for Annexing School Districts
1983	14	Failure of Member of Township Board of Review to Take Oath of Office
1983	15	Penalty for Late Payment of Summer School Taxes
1983	16	Village Assessors
1984	2	Commercial Forest Act
1985	6	Board of Review July and December
1985	7	Charter Township Millage
1985	8	Cost-Sharing in Valuation Appeals
1985	9	Tax Tribunal Petition Filing
1985	10	Effect of Tax Tribunal Decisions
1986	1	Extension of Commercial Facilities Exemption Certificates
1986	2	Auction Sales
1986	3	Tax Increment Financing Authority
1986	9	Millage Elections

1986	10	Exempt Property
1986	11	Eligibility for Exemption of Nonprofit Corporations Incorporated in Another State
1987	2	Assessors Manual Updates
1988	2	Steam and Electricity Producing Industrial Facilities
1988	4	Computation of Time for Local Treasurers to Remit Collected Taxes to School Districts
1988	5	Administration Fee on State-Owned Lands
1988	6	Duty to Invest and Maximize Investment Income Upon Tax Collection
1988	9	Small Business Administration Property Tax Liens
1988	10	Exemption of Unused School District Property from Taxation
1988	11	Appointment of Additional Members to Board of Review
1988	13	Nursery Stock Seasonal Protection Unit
1989	1	Authority to Require Property Owners to Provide Written Statement of Purchase Price and Conditions
1989	7	Establishment of Downtown Development Authority
1989	8	Private Nonprofit Economic Development Corporations
1989	9	Time of Preparation of Tax Role for Ad Valorem Property Taxes
1989	10	Site Condominium Projects
1990	6	Clerical Errors
1993	6	1993 School Millage Elections
1994	2	PA's 273 and 292 of 1993
1994	7	Revised Forms L-4154 and L-4155
1996	9	Revised Forms L-4154 and L-4155

The State Tax Commission created the Meeting Advisory Committee as an ad hoc committee to review its meeting procedures and agendas. The Meeting Advisory Committee was formed to further the Commission's goals to review its processes for greater transparency and efficiency in the administration of the property tax laws of the State of Michigan. Members of the Committee included:

Barry Simon	Commissioner
Heather Frick	Executive Director
Lisa Hobart	MMAO, City of Detroit
Matt Schmidt	MMAO, Charter Township of Shelby
Michael Woolford	MMAO, Monroe County Equalization Director

The recommendations of the Meeting Advisory Committee were presented to the Commission. The key aspects of the Committee's recommendations focused on increasing the usefulness and transparency of information on the State Tax Commission agenda, improving the meeting space environment to hold effective public meetings and hearings, and enhancing public comment at the State Tax Commission meetings. The Meeting Advisory Committee made the following recommendations to the State Tax Commission:

1. The Commission not change the format of the State Tax Commission agendas. To promote greater use and understanding items before the State Tax Commission, the Committee recommended that the Commission provide supporting documentation on the State Tax Commission website for each agenda item.

2. The Commission provide an additional opportunity for public comment at the beginning of the State Tax Commission agenda for issues limited to agenda items only. The Committee indicated the additional opportunity for public comment would allow the Commission to solicit input from the assessing community and public at large on policy items before the Commission prior to Commission action.
3. The Commission notice all MCL 211.154 matters and schedule hearings for 10:00 a.m. to allow for a break between agenda items in order to better notify the public of the timing when MCL 211.154 items and hearings will be heard.

It was moved by Simon, supported by Morris, and unanimously approved to adopt the Meeting Advisory Committee recommendations. The Commission requested the Meetings Advisory Committee monitor these measures moving forward reporting back to the Commission no later than December 13, 2016 on the effectiveness of the adopted changes. Additionally, the Commission requested the Attorney General's office provide divisional level advice concerning adding an additional opportunity for public comment to the Commission's agenda. (Item 6 on agenda)

The Commission reviewed the staff recommendation regarding the complaint filed against assessor Jill Schwanz that had proceeded to investigatory review pursuant to the Complaint Process Regarding Assessment Administration Practices approved by the Commission on December 16, 2015. Upon review of responses provided by the assessor, staff determined that no further action was necessary and recommended the Commission dismiss the complaint. It was moved by Simon, supported by Morris, and unanimously approved to adopt the staff's recommendation to take no further action and dismiss the complaint against Ms. Jill Schwanz. (Item 7 on agenda)

It was moved by Morris, supported by Simon, and unanimously approved to adopt the list of OPRA Qualified Local Governmental Units. (Item 8 on agenda)

It was moved by Morris, supported by Simon, and unanimously approved to adopt the legislative report for Neighborhood Enterprise Zone Homestead Exemptions. (Item 9 on agenda)

It was moved by Simon, supported by Morris, and unanimously approved to adopt the staff recommendation on the Charitable Non-Profit Housing Organization Exemptions for the following: (Item 10 on agenda)

These exemptions will either expire on **December 30, 2019 for a period of three (3 years) or December 30, 2021 for a period of five (5 years)**, or until one of the following events occur:

1. The eligible nonprofit housing property is occupied by a low-income person under a lease agreement, or
2. The eligible nonprofit housing property is transferred by the charitable nonprofit housing organization.

County	Local Unit	Parcel Number	Years Approved
Clinton	Bingham Township	030-022-100-009-00	5 years
Clinton	DeWitt Township	050-160-000-042-60	5 years
Clinton	DeWitt Township	050-160-000-044-60	5 years

Clinton	DuPlain Township	19-061-110-000-005-00	5 years
Ingham	City of Lansing	33-01-01-10-206-131	5 years
Ingham	City of Lansing	33-01-05-05-227-275	3 years
Mason	City of Ludington	051-509-006-50	3 years
Midland	City of Midland	14-18-50-430	5 years
Midland	City of Midland	14-18-50-460	5 years
Midland	City of Midland	14-18-50-456	5 years
Midland	City of Midland	14-18-50-466	5 years
Oakland	City of Pontiac	14-16-408-001	3 years
Oakland	City of Pontiac	14-29-177-009	3 years
St. Clair	City of Port Huron	74-06-186-0044-000	5 years
St. Clair	Port Huron Township	74-28-272-0037-001	5 years
St. Clair	Port Huron Township	74-28-195-0004-000	5 years
St. Clair	Port Huron Township	74-28-195-0001-000	5 years
St. Clair	Port Huron Township	74-28-253-0105-000	5 years
St. Clair	City of St. Clair	74-07-049-0305-000	3 years
St. Clair	City of Yale	74-08-670-0017-000	3 years
St. Clair	City of Yale	74-08-670-0017-001	5 years
St. Clair	City of Yale	74-08-670-0017-002	5 years
Sanilac	Speaker Township	76-220-026-200-050-00	3 years
Washtenaw	Ypsilanti Township	K-11-15-186-023	3 years
Washtenaw	Ypsilanti Township	K-11-14-284-021	3 years
Wayne	City of Lincoln Park	45002060227000	5 years

It was moved by Morris, supported by Simon, and unanimously approved to adopt the staff recommendation on the Re-certifications and New Certifications of Computerized Tax Rolls for the following: (Item 11 on agenda)

These certifications will expire on **May 1, 2019**.

New Certifications:

Kent County

City of Walker

Macomb County

City of Eastpointe

City of Fraser

City of Memphis

City of Mount Clemens

City of New Baltimore

City of Richmond

City of Roseville

City of St. Clair Shores

City of Sterling Heights

City of Utica

City of Warren

Armada Township
Bruce Township
Chesterfield Township
Clinton Township
Lenox Township
Macomb Township
Ray Township
Richmond Township
Shelby Township
Washington Township
Village of Grosse Pointe Shores

Washtenaw County

Dexter Township

Recertifications:

Alcona County

Curtis Township
Haynes Township

Genesee County

City of Burton
City of Clio
City of Davison
City of Grand Blanc
City of Linden
Argentine Township
Clayton Township
Flushing Township
Genesee Township
Richfield Township
Thetford Township
Vienna Township

Kent County

Byron Township

The State Tax Commission recognized the following recipients who were awarded their Michigan Masters Assessing Officer (MMAO) Certificate. On June 3, 2016 these students successfully completed the MMAO May 2015 Program. The Commission also thanked the MMAO Instructors Mike Galligan, Pete Arbour and Micheal Lohmeier for their hard work and dedication. (Item 12 on agenda)

Timothy T. Baker
Christopher D. Coucke
Darrin P. Kraatz
Brooke L. Openshaw
Penny S. Shults
Jason M. Yoakam

Stacey M. Bassi
Charles E. Ericson
Jennifer E. Nieman
Justin R. Sears
Samuel C. Spang

The State Tax Commission recognized the following recipients who were awarded their Michigan Certified Assessing Officer (MCAO) Certificate. On May 20, 2016 these students successfully completed the MCAO July 2015 Lansing Program. The Commission also thanked the MCAO Instructors Dick Steffens, Lynne Houston, Bob Brandmier and Pete Arbour for their hard work and dedication. (Item 12 on agenda)

Jon E. Aylsworth
Marie J. Canterbury
Paul H. Ciraulo
Sarah J. Dvoracek
Dawn F. Elston
Luke T. Freeman
Jumana Judeh
Matthew J. Lafferty
Jared M. Litwiler
Faith R. Martin
Ravyn E. Schneider
Wayne G. Sutherland
Lynette S. Wagner
Jessica M. Wooten

Jill M. Brown
Daniel C. Cervi
Terry E. Dewey
Derek C. Eaton
Julia E. Fletcher
Steve Hurmez
Thomas L. Koon
Brianna L. Lindsay
Ron B. Manley
Thomas M. Paul
Kayle M. Stevenson
Anthony C. Switkowski
Jennifer M. Witherow
Caitin M. Zemla

The State Tax Commission recognized the following recipients who were awarded their Michigan Certified Assessing Officer (MCAO) Certificate. On April 29, 2016 these students successfully completed the MCAO Self-Study Program. (Item 12 on agenda)

Kaitlin R. Anderson
Keegan J. Bengel
Kimberly J. Comer
Heather S. Hyatt
Jaimee L. Kowalk
Christina M. Parrish
Meshia R. Rose

Holly A. Benedict
Andrew J. Clark
Christopher Fieldhouse
Travis W. Johnson
Viviana Lopez
Michael L. Robison
Nicholas S. Tacoma

The State Tax Commission recognized the following recipients who were awarded their Michigan Certified Assessing Officer (MCAO) Certificate. On July 29, 2016 these students successfully completed the MCAO Self-Study Program. (Item 12 on agenda)

John R. Baumann
Terson G. Bethea
Wesley M. Dault
Amanda K. Eisenhaver
Kylie L. Galligan
Christopher A. Koenes
Kristin T. McGrath
Matthew J. Smith
Teresa M. Ward

Gregory P. Babb
Joel F. Bremer
Megan I. Dolbee
Mitchell J. Elrod
Devin S. Goulouze
Josh T. Larkin
Lyndsey E. Shembarger
Brian P. Stagg

Commissioner Simon stated the following: I would like to offer my congratulations to all those who became certified at the various levels. I would also like to thank all the instructors that participated because without the instructors we would not be able to offer these courses.

Chairman Roberts stated the following: The single most important thing of the State Tax Commission is to improve the professionalism of the assessing process and frankly it begins with the assessors. I would like to congratulate them all.

The Commission received a proposed 2017 meeting schedule for their review. (Item 13 on agenda)

It was moved by Morris, supported by Simon, and unanimously approved to adopt the official order to certify and return the 2015 assessment roll for Jasper Township, Midland County. (Item 14 on agenda)

Matt Woolford appeared representing Michigan Association of Equalization Directors and as the Equalization Director of Kent, Allegan and Montcalm Counties. Marty Marshall also appeared representing the Michigan Association of Equalization Directors (MAED) and as the Equalization Director of Lenawee County. Mr. Woolford and Mr. Marshall addressed two issues raised by MAED in correspondences to the Commission dated July 12, 2016.

First, Mr. Woolford and Mr. Marshall addressed an issue of concern regarding the 24 Month Equalization Study Time Periods. Mr. Woolford and Mr. Marshall stated the current ending deadline of the period has posed some counties difficulties in the performance of their studies since the time period changed in 2009. The struggles some counties are experiencing included: (i) decreased accuracy in sales and appraisal studies, ECF calculations and vacant land analyses, (ii) wasted or misallocated resources, (iii) delayed or late sales and appraisal studies and (iv) other issues impacting taxpayers and the assessment/tax process. Mr. Woolford and Mr. Marshall identified the benefits to changing the 24 month time period back to April 1st through March 31st and requested the Commission revise the dates for the 2017 study period for use in setting the 2018 ratios and multipliers. It was moved by Roberts, supported by Simon, and unanimously approved to adopt Michigan Association of Equalization Directors request to change the 24 Month Equalization Study Time Period from October 1st through September 30th to April 1st through March 31st for the 2017 study period; however, the Commission reiterated if things do change, as they did in 2009, then the Commission may revisit the sales study dates again at a future meeting. (Item 15 on agenda)

Next, Matt Woolford appeared before the Commission representing Michigan Association of Equalization Directors concerning the new requirement for MMAO certification adopted in by the Commission in December 2015. The Commission's policy indicates that an individual must hold an MAAO certificate for one year and demonstrate to the State Tax Commission that they have one year experience working in a local unit assessing office. Mr. Woolford stated this requirement is negatively impacting all counties who are working to recruit, retain, and provide a path for advancement for equalization staff in Michigan. Mr. Woolford also reiterated that for over 30 years, the path toward MMAO (4) certification has never made a distinction between assessing experience and equalization experience. The Michigan Association of Equalization Directors (MAED) Executive Board and its membership respectfully requested that the requirement be amended to adopt the original STC staff recommendation which called for a 2 year experience requirement after obtaining the MAAO designation as a prerequisite to apply for the MMAO education program or receiving credit for courses under the MMAO Self-Paced option. It was moved by Roberts, supported by Morris, and unanimously approved to adopt the recommendation to amend the requirements for applying for the Michigan Master Assessing Officer certification to require 2 years of

experience while holding a Michigan Advanced Assessing Officer certification prior to being able to apply to the Commission's MMAO Program or receiving credit for courses under the MMAO Self-Paced Option. (Item 15 on agenda)

It was moved by Simon, supported by Morris, and unanimously approved to adopt the staff recommendations on the Special Items Exemptions Agenda. (Item 16 on agenda) ([See attached link for file identification.](#))

It was moved by Morris, supported by Simon, and unanimously approved to adopt the staff recommendations on the Exemptions Agenda. (Item 17 on agenda) ([See attached link for file identification.](#))

It was moved by Morris, supported by Simon, and unanimously approved to adopt the MCL 211.154 **Concurrences**. (Item 18 on agenda) ([See attached link for file identification](#))

It was moved by Simon, supported by Morris, and approved to adopt staff recommendations on MCL 211.154 petitions on the **Special Items Agenda**. (Item 19 on agenda) ([See attached link for file identification](#))

It was moved by Roberts, supported by Simon, and unanimously approved the following MCL 211.154 petition as a **concurrence**, initially noticed as a non-concurrence. (Item 20 on agenda)

City of Niles, Berrien County

154-16-0257 KAMPS INC 11-74-9940-1406-00-5
PERSONAL-IFT PROPERTY
2014 AV from \$ 0 to \$ 27,550 TV from \$ 0 to \$ 27,550
2015 AV from \$ 0 to \$ 26,600 TV from \$ 0 to \$ 26,600

154-16-0258 KAMPS INC 11-71-9999-0380-00-9
PERSONAL PROPERTY
2014 AV from \$ 299,210 to \$ 271,660 TV from \$ 299,210 to \$ 271,660
2015 AV from \$ 309,220 to \$ 282,620 TV from \$ 309,220 to \$ 282,620

Wawatam Township, Emmet County

154-16-0141 THOMAS CHASTAIN 24-42-03-13-101-035
REAL PROPERTY
2015 AV from \$ 3,100 to \$ 40,000 TV from \$ 3,100 to \$ 40,000
2016 AV from \$ 3,800 to \$ 40,000 TV from \$ 3,109 to \$ 40,000

City of Grand Rapids, Kent County

154-16-0267 GRAND RAPIDS MOTORCAR LLC 41-01-51-114-627
PERSONAL PROPERTY
2014 AV from \$ 0 to \$ 36,500 TV from \$ 0 to \$ 36,500
2015 AV from \$ 10,000 to \$ 44,000 TV from \$ 10,000 to \$ 44,000

City of Brighton, Livingston County

154-16-0263 HOMETOWN LAWN & PEST LLC
PERSONAL PROPERTY

4718-99-003-477

2016 AV from \$ 2,500 to \$ 10,700 TV from \$ 2,500 to \$ 10,700

City of Warren, Macomb County

154-16-0232 FD GROUP 7 LLC
REAL PROPERTY

13-26-478-039

2016 AV from \$ 54,490 to \$ 353,760 TV from \$ 54,490 to \$ 353,760

Sheridan Township, Mecosta County

154-16-0156 ALICE DOBIAS ESTATE
REAL PROPERTY

54-08-008-004-500

2014 AV from \$ 0 to \$ 3,100 TV from \$ 0 to \$ 3,100

2015 AV from \$ 0 to \$ 3,100 TV from \$ 0 to \$ 3,100

2016 AV from \$ 0 to \$ 3,100 TV from \$ 0 to \$ 3,100

It was moved by Roberts, supported by Simon, and unanimously approved to adopt all other MCL 211.154 petitions. ([See attached link for file identification.](#)) (Item 20 on agenda)

Representatives of the City of Detroit including Scott Patton, Lisa Hobart, Alvin Horhn and Laurie Hoose appeared before the Commission to discuss the City of Detroit's reappraisal, highlighting progress on the residential class reappraisal, issues with the commercial and industrial class reappraisal, internal organization restructuring, involvement of Tyler Technology, and reliance on resources outside of the City Assessor's Office, including receipt of data on recorded deeds, building permits, and demolition of structures. Following the updates on the City's progress, Ms. Hobart presented eight requests from the City of Detroit to the Commission:

1. Approval of the modified corrective action plan, which included seven requested amendments related to data gathering by a local not-for-profit, the handling of scheduled demolitions, completion of steps in 2015, not 2014, to get the database out of override, updates to reflect that remote data verification has not and will not be the primary method of gathering data for the commercial class, approval of a matrix that applies depreciation at half of actual age and then applies adjustments based on abnormal physical condition, modification of the standard for field inspection to be applied after property characteristics are verified remotely, and a revised indication that City staff and Tyler Technology will verify that a property is unimproved.
2. Approval of the delay of completion of the reappraisal of commercial and industrial properties until the 2018 assessment. Both Tyler Technology and the City's internal team are working on data collection, but until the work can be completed, the commercial and industrial properties will remain in override.

3. Request the AMAR review be delayed until 2019, 1 year after completion of the reappraisal project, including the delay in completion of the reappraisal of commercial and industrial properties until 2018.
4. Acknowledgement that the City's uncapping plan for approximately 43,000 properties in which a property transfer affidavit had been filed but the taxable value was not uncapped is satisfactory. The City's intent is to correct the taxable value prospectively starting with the 2017 assessment by taking the issue to the 2017 March Board of Review, based on advice from the City's legal department.
5. Allow for certified assessors to receive continuing education for the training programs put on by the City. The City indicated that they are developing materials that they would submit for continuing education approval. This material would be offered to City employees only.
6. Require John Ryan to have a regular meeting schedule with the City and participate in a collaborative process until completion of the reappraisal.
7. Affirm that STC oversight relinquishes Wayne County from providing any oversight and the equalization factor shall be set at 1.00 when the reappraisal is implemented for the residential class for the 2017 assessments.
8. Allow electronic Form 4035 and 4035a to serve as source documents with all other required documentation linking through the use of this technology. This request is made so that the City can help deliver timely tax bills to residents.

Chairman Roberts requested all requests be made in writing and recommended that before the Commission take any further action that staff and the Attorney General look at the City's requests, including the amended corrective action plan, and the Commission not take any further action at today's meeting.

It was moved by Roberts, supported by Morris, and unanimously approved to have staff and the Attorney General review the requests by the next Commission meeting and report back to the Commission. (Item 21 on agenda)

Public Comment (Item 22 on agenda): No member of the public wished to comment.

The next Commission meeting will be held September 20, 2016, at the Okemos Conference Center in the Okemos A & B Rooms, 2187 University Park Drive, Okemos.

It was moved by Roberts, supported by Morris, and unanimously approved to adjourn the meeting of the State Tax Commission at 11:20 a.m.

DATE TYPED: **August 24, 2016**

DATE APPROVED: **September 20, 2016**

Douglas B. Roberts, Chair
State Tax Commission

Barry N. Simon, Member
State Tax Commission

W. Howard Morris, Member
State Tax Commission